Under the Tenth Plan scheme of Group Insurance for Powerloom workers, they can choose to pay Rs. 40/- every year to insure himself for a cover of Rs. 50,000/- on accidental death and upto Rs. 25,000/- for partial disability; with Life Insurance Corporation of India (LIC) and the Central Government contributing Rs. 100/- and Rs. 60/- respectively every year. Alternatively, he can choose to pay Rs. 130/- per annum to obtain an insurance cover of Rs. 80,000/- on accidental death, Rs. 50,000/- on natural death and a maximum of Rs. 50,000/- for permanent disability, with Central Government paying Rs. 150/- and LIC Rs. 100/-.

Major sops to textiles

2928. SHRI B.J. PANDA:
MISS MABEL REBELLO:

Will the Minister of TEXTILES be pleased to state:

(a) whether Government propose to give major sops to Textiles in the current year to give fillip to economy and generate employment, as reported in the Hindustan Times of 1st January, 2003; and

(b) if so, details of the proposed inputs that would be made to achieve the objective?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) and (b) A number of concessions have been announced in the Budget 2003-04 proposals to have a moderate fiscal duty structure; to complete the CENVAT chain; to encourage modernisation; to eliminate duty evasion, etc. Those concessions included reduction in excise duty rate across the board on almost all textile items, withdrawal of excise exemption on a number of items; completion of CENVAT chain; reduction in customs duty on textile machinery, etc.. Besides, 'Powerloom Package for Modernisation' of powerloom sector has also been announced.

Profitability of the textiles mills

2929. SHRI SURESH PACHOURI. Will the Minister of TEXTILES be pleased to state:

(a) whether the Textile Industry is suffering from low profitability; and

(b) if so, whether this has affected the working of almost two-third of the spinning mills in the country; and

(c) if so, the details of measures taken to improve the profitability of the Textile Industry?

THE MINSITER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) As per the sample study of Reserve Bank of India, profitability ratio in cotton/man-made fibre textile industry *vis-a-vis* all industry during the year 1998-99 to 2000-01 is as under:

Year	Gross Profit as Percentage of Sales		Profit After Tax as Percentage of Net Worth	
	Cotton textile Industry	All Industry	Cotton textile Industry	All Industry
1998-99	6.2	10.8	-2.1	5.9
1999-2000	5.4	11.0	Negative	6.5
2000-01	6.8	10.1	2.8	6.5

The above figures show that profitability of textile industry is low as compared to all industry profitability.

(b) The findings of the pilot study to assess the financial and operational strengths and weakness of spinning mills in Southern India for rehabilitation of potentially viable study mills conducted by South India Textile Research Association (SITRA) reveal that substantial number of spinning mills are working on very low or negative profitability. Using the similar norms as followed in the SITRA study, Northern India Textiles Mills Association (NITMA), conducted a Study to assess financial and operational status of textiles mills located in Northern India and has concluded that the performance of number of textile mills are affected due to various financial constraints such as high Cost of funds, shortage of funds for modernisation, working capital and rigid lending norms etc.

(c) The Government has initiated/proposed various measures/ schemes in order to modernize and strengthen as well as to increase the profitability of the Indian textile industry as given below:

(i) Completion of CENVAT chain in entire Textile Value Chain with simultaneous rationalization of excise duty on fibres, yarn, fabric/ made-ups and readymade garments (RMG) in Union Budget 2003-04.

(ii) Concessional rate of import duty of 5% on specified, textile machinery with state of art technology.

(iii) Dereservation of woven readymade garment from SSI sector.

(iv) Development of apparel parks for production and export of garments.

(v) Introduction of Technology Upgradation Fund Scheme (TUFS) to facilitate modernisation and upgradation of textile sector.

(vi) Launch of Cotton Technology Mission for boosting production and quality of cotton.

(vii) Allowing foreign equity participation upto 100% through automatic route in this sector with certain exceptions.

(viii) Rationalization of DEPB rates for certain textile products.

(ix) A programme has also been launched to induct 50,000 shuttleless looms and to modernize 2.5 lakh powerlooms in the decentralised sector by 2004.

In budget proposals 2003-04, Finance Minister has announced that Government is considering a mechanism for restructuring the debt portfolios of viable and potential viable textile units.

Privatisation of Konark jute mill in Orissa

2930. SHRI SURENDRA LATH: Will the Minister of TEXTILES be pleased to state:

(a) whether the Konark Jute Mill at Dhanmandal in Orissa is running at profit;

(b) if so, the performance of the jute mill during last three years;

(c) whether Government have a proposal for the privatization of the Jute Mill; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) and (b) The Konark Jute Limited is a Orisse Government Public Undertaking. As per the information provided by the Government of Orissa, it is incurring losses during the last three years. The losses incurred by the mill for the past three years are as under: